



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

Handwritten initials/signature

INSPECTION REPORT

Partial XXX Complete ___ Exploration ___
Inspection Date: 07/11/2002/ Time: 8:30 - 12:00
Date of Last Inspection: 06/21/2002

Mine Name: Horse Canyon Mine County: Carbon Permit Number: C/007/013
Permittee and/or Operator's Name: Utah American Energy, Inc.
Business Address: PO Box 986, Price, Utah 84501 / 56854 Pleasant Ridge Rd, Alledonia, OH 43902
Company Official(s): R. Jay Marshall
State Official(s): Karl R. Houskeeper Federal Official(s): None
Weather Conditions: Partly Cloudy, Smoke haze around mountain ranges, Temp 99°F
Type of Mining Activity: Underground XXX Surface ___ Prep Plant ___ Other ___
Existing Acreage: Permitted 1327.75 Disturbed 74.26 Regraded ___ Seeded ___
Status: Active Reclamation

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
a. For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

Table with 5 columns: EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include: PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; DIVERSIONS; SEDIMENT PONDS AND IMPOUNDMENTS; OTHER SEDIMENT CONTROL MEASURES; WATER MONITORING; EFFLUENT LIMITATIONS; EXPLOSIVES; DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES; COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS; NONCOAL WASTE; PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES; SLIDES AND OTHER DAMAGE; CONTEMPORANEOUS RECLAMATION; BACKFILLING AND GRADING; REVEGETATION; SUBSIDENCE CONTROL; CESSATION OF OPERATIONS; ROADS; CONSTRUCTION/MAINTENANCE/SURFACING; DRAINAGE CONTROLS; OTHER TRANSPORTATION FACILITIES; SUPPORT FACILITIES/UTILITY INSTALLATIONS; AVS CHECK (4th Quarter- April, May, June); AIR QUALITY PERMIT; BONDING & INSURANCE.

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/013

DATE OF INSPECTION: 07/11/2002

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

2. SIGNS AND MARKERS

Viewed the ID sign located at the facilities area. The ID sign gives the phone number of the new resident agent and other pertinent information. The other signs and markers viewed during the inspection meet the coal rules.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The remaining sediment pond used for the facilities treatment appeared stable. The pond is dry and the discharge structures are in good repair.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

Discussed with the operator the silt fence placed at the base of the access used to reclaim the sediment pond in the old tipple area. The operator will re-install the silt fence to match the field discussion. The purpose of the silt fence is to aid in the protection of the soils until vegetation is established.

4D. HYDROLOGIC BALANCE: WATER MONITORING

Second quarter 2002 water monitoring is done. First quarter 2002 water monitoring is in the EDI web site.

8. NONCOAL WASTE

The area is free of noncoal waste.

13. REVEGETATION

Areas reclaimed and seeded in 2001 show no sign of growth. Lack of precipitation at the end of 2001 and the beginning of 2002 has hindered the growth. Seed is still present in the reclaimed areas. The operator will continue to monitor the reclaimed areas for vegetation success.

Inspector's Signature: _____

Karl R. Houskeeper
Karl R. Houskeeper #49

Date: July 11, 2002

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

cc: James Fulton, OSM
Clyde Borrell, UEI
R. Jay Marshall, UEI
Price Field office

O:\007013.HOR\Compliance\2002\p_0711.doc